



Air Passenger Market Analysis

April 2022

International traffic takes off in April 2022

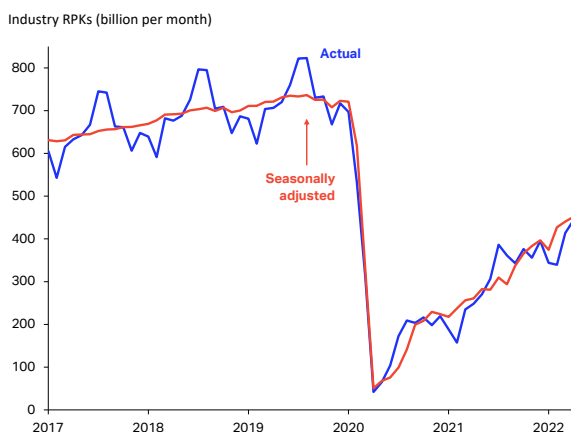
- International revenue passenger kilometers (RPKs) drive the global industry's recovery in April 2022. Several route areas are above pre-pandemic levels, and the global international market reports a 331.9% YoY growth.
- New flexible entry conditions in previously travel-restricted Asian countries allow for foreign travelers to come in, fostering higher growth rates in the region. However, the divergence in the pace of the recovery between Asia Pacific and other markets persists.
- Omicron still impacts domestic air travel overall. The decline in China PR has deepened as strict travel restrictions limit air travel in, to and from the country. There global domestic RPKs fell by 1.0% YoY in April.
- Inflation, high jet fuel prices, and low consumer confidence are points of concern for the coming months, but international bookings nevertheless show a high willingness to travel abroad - a positive trend expected to last throughout this summer.

Global RPKs continue to increase in April

The industry has resumed its strong recovery trend in spite of [the war in Ukraine](#) and [travel restrictions in China PR](#).

In April 2022, industry-wide revenue passenger-kilometers (RPKs) grew by 78.7% YoY. Air passenger volumes are now 37.2% below pre-pandemic 2019 levels, which represents a 3.8% increase since last month. Seasonally adjusted data confirms the industry-wide improvement with a 2.5% month-on-month (MoM) increase. Despite remaining travel restrictions in Asia Pacific and its regional impacts, the global industry continues to recover (**Chart 1**).

Chart 1: Global air passenger volumes (RPKs)



Sources: IATA Economics, IATA Monthly Statistics

Air passenger market overview - April 2022

	World share ¹	April 2022 (% year-on-year)				% year-to-date			
		RPK	ASK	PLF (%-pt) ²	PLF (level) ³	RPK	ASK	PLF (%-pt) ²	PLF (level) ³
TOTAL MARKET	100.0%	78.7%	45.5%	14.5%	77.8%	85.9%	53.7%	12.3%	71.1%
International	37.7%	331.9%	146.7%	32.7%	76.2%	261.1%	124.5%	25.8%	68.1%
Domestic	62.3%	-1.0%	-8.6%	6.2%	80.1%	22.3%	12.1%	6.2%	74.6%

¹% of industry RPKs in 2021

²Year-on-year change in load factor

³Load factor level

Domestic air travel is resilient globally while the decline endures in China

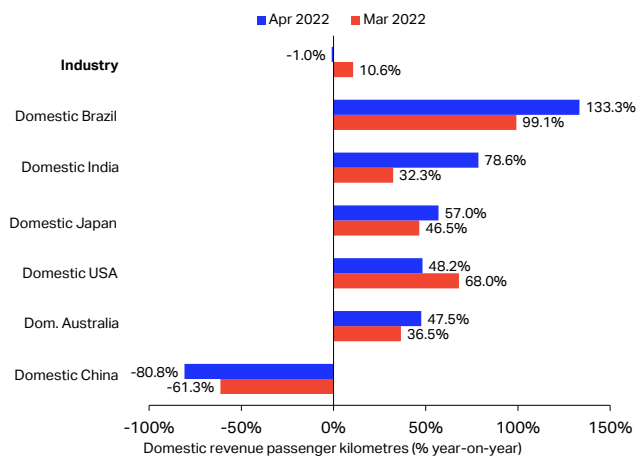
Although certain domestic markets have seen a sharp increase in RPKs year-on-year, industry-wide they decreased by 2.6% MoM and by 1.0% YoY in April to 25.8% below 2019 levels (**Chart 2**).

Lingering strict travel restrictions in China brought that country's domestic RPKs to a steep decline of 80.8% YoY in April. Capacity and load factors also pursued their decline in China.

The **US domestic market** has made good progress towards reaching 2019 RPK levels. The rebound continued in April with RPKs down only 1.6% compared to the same month in 2019 (versus -3.9% YoY in March 2022). Capacity decreased in April, however, and consequently load factors rose to 88.4% country wide. Pressure on traffic might increase in this market with high fuel prices and ongoing labor-related issues. In April, US domestic RPK growth decreased to 48.2% YoY from 68% YoY in March.

In **Brazil**, volumes were up 133.3% YoY in April, which is 34.2% higher than the month prior. A 46.4% MoM increase was registered in **India**, totaling a 78.6% increase YoY for this domestic market. In **Japan and Australia**, the growth in domestic RPKs accelerated in April thanks to the lifting of travel restrictions and rising consumer confidence.

Chart 2 – Domestic RPK growth (airline region of registration basis), % YoY



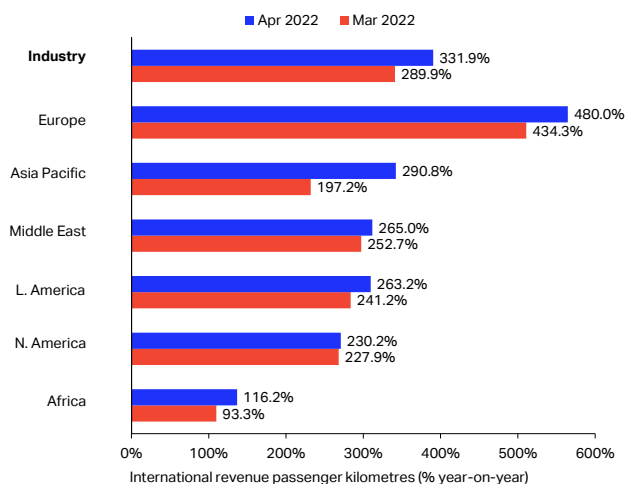
Sources: IATA Economics, IATA Monthly Statistics

These countries now face declining pressure on health systems from the Omicron variant, enabling the more accommodative travel policy.

Domestic RPKs in Japan rose by 57.0% YoY in April but remain 31.2% below the 2019 level. Domestic air travel gained 47.5% YoY in Australia in April and passenger capacity is now above 2019 levels.

[Tailwind for international traffic while recovery gap increases between Asia Pacific and other regions](#)

Chart 3: International RPK growth (airline region of registration basis), %YoY



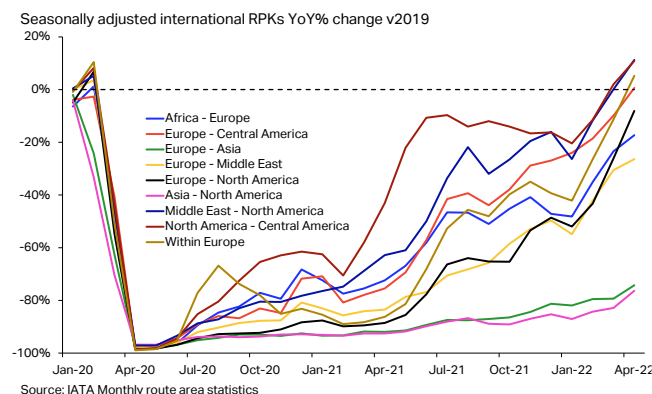
Sources: IATA Economics, IATA Monthly Statistics

International RPKs rose by 331.9% YoY in April in what is a strong recovery worldwide (**Chart 3**).

[Airlines based in Europe](#) continued to lead the international recovery in April in YoY terms, up 480.0%. In addition, international RPKs are now 25.8% below the levels of April 2019, which is a 10.2% increase from March. Insufficient data do not allow us to report on Russia. Although the war in Ukraine continues, airlines based in Europe have not been impacted significantly. International traffic between Europe and other regions extended their gains in April (**Chart 4**). [For the first time](#)

[since the start of the pandemic](#), international traffic within Europe recovered to the 2019 RPK levels in seasonally adjusted terms, recording a 5.2% YoY increase.

Chart 4: Seasonally adjusted international RPKs, selected routes



International RPKs for airlines registered in [Asia Pacific](#) rose substantially despite Omicron, up 290.1% YoY in April, and continue the positive trend with SA volumes up 19.9% MoM. Relaxed entry conditions for foreigners allowed international flows to grow in countries where traffic was limited. One can expect international traffic to return quickly in Asia Pacific as remaining travel restrictions are relaxed though for now routes between this region and the rest of the world lag in global recovery.

[Latin American](#) and [North American carriers](#) saw similar growth in April in YoY international RPK growth, up 263.2% and 230.2% respectively. Recovery to 2019 levels is progressing in both regions, with increased flows coming from Europe, the Middle East and between those regions. International RPKs in the following routes are now above pre-pandemic levels:

- Europe – Central America
- Middle East – North America
- North America – Central America

Latin American and North American carriers are now down 29.7% and 26.3% respectively versus the same month in 2019.

These outstanding results can mainly be attributed to the [tourism spike in April](#) that many countries have already reported. We can expect these positive developments to prevail over the summer as there is a manifest willingness of travel.

The recovery in international RPKs is strong also in the [Middle East](#), with volumes up 265.0% YoY in April, though still down 35.7% compared to April 2019. Airlines based in [Africa](#) saw a 116.2% YoY growth rate in their international RPKs in April. This region is further behind on the path of recovery since vaccination rates

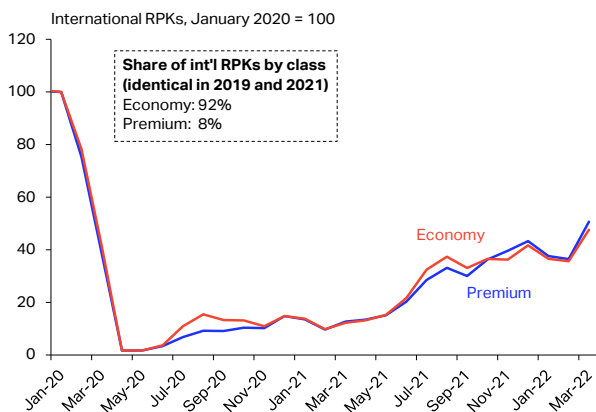
are much lower than in other regions. International RPKs are down 42.5% compared to pre-pandemic levels which is nevertheless a 1.7% improvement since March 2022.

Twin recovery pace for Premium and Economy classes

Recovery proceeds at a similar pace for both the Premium and Economy classes. Economy RPKs – which include premium economy (a small part of the total) – were at 47.6% of January 2020 levels in March 2022, and up 289.1% YoY in April 2022. Premium RPKs – which capture first and business class – were at 50.72% of January 2020 values and up 299.7% YoY in April 2022 (Chart 5).

In terms of recovery, premium RPKs are slightly ahead of Economy in April 2022. However, such divergences do occur especially in summer, and overall growth in the two cabin categories remains highly correlated. It should be noted though that as a share of international RPKs, Economy is the dominant class with 92% of the total.

Chart 5: International RPKs by cabin class



Industry capacity continues to ramp up, passenger load factor leaps

Industry-wide available seat-kilometers (ASKs) increased by 45.5% YoY in April and were down 32.9% versus April 2019, extending the positive trend that global capacity has enjoyed. A clear gap between domestic and international capacity has developed since February, notably because of the travel restrictions in China PR. Because of the large size of that market, it has a direct impact on overall domestic capacity.

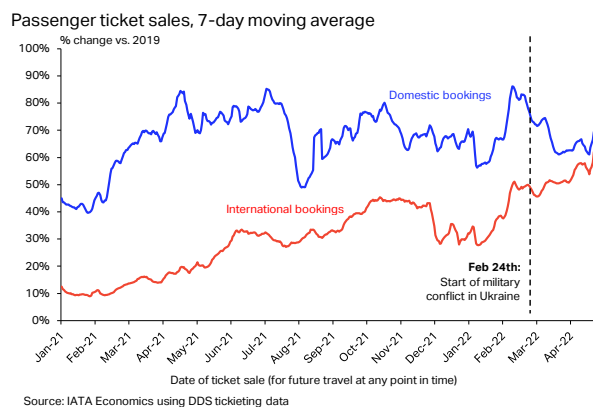
Load factors too are up significantly. The global load factor climbed to 77.8% MoM in April versus 64.2% MoM in March and is up 14.5% YoY in April. In April, the load factor stood 5.3% below the same month in 2019, confirming a positive trend over the past few months: February and March were short of the 2019 level by 13.4 ppts and 7.0 ppts respectively.

International forward bookings on the rise, domestic bookings still on a sideways trend

Domestic bookings are still on an overall sideways trend. Considering the effects of repeated shocks, the recent Chinese market closure, and insufficient data regarding the Russian domestic market, the industry's resilience is rather impressive.

International bookings are on the rise. More flexible travel conditions and a strong desire to travel are encouraging consumers to plan ahead for the summer and further travels (Chart 6).

Chart 6: Passenger ticket sales (dom. vs. int'l), global



Consumer confidence is low, inflation expected to impact passenger decisions

Inflation is high and consumer confidence in the OECD and the euro area is low, approaching early 2020 levels. However, low unemployment rates and accumulated savings still benefit consumers in advanced economies (Chart 7).

While the relationship between rising inflation and increase in cost of travel is not straightforward, inflation is expected to put additional pressure on the air transport industry. Climbing crude oil and jet fuel prices, as a consequence of the war in Ukraine, are also expected to increasingly impact air travel.

Chart 7: Consumer confidence indexes, OECD, and Euro Area



Air passenger market in detail - April 2022

	World share ¹	April 2022 (% year-on-year)				% year-to-date			
		RPK	ASK	PLF (%-pt) ²	PLF (level) ³	RPK	ASK	PLF (%-pt) ²	PLF (level) ³
TOTAL MARKET	100.0%	78.7%	45.5%	14.5%	77.8%	85.9%	53.7%	12.3%	71.1%
Africa	1.9%	108.4%	66.4%	13.7%	68.0%	65.4%	38.8%	10.6%	65.5%
Asia Pacific	27.5%	-25.4%	-25.3%	-0.1%	67.0%	-2.0%	-1.7%	-0.2%	62.3%
Europe	25.0%	301.6%	172.5%	25.6%	79.5%	238.6%	154.8%	17.7%	71.6%
Latin America	6.5%	139.2%	114.4%	8.4%	80.9%	107.0%	82.8%	9.4%	79.8%
Middle East	6.5%	238.1%	91.3%	30.9%	71.3%	198.1%	81.8%	26.4%	67.7%
North America	32.6%	78.5%	43.8%	16.7%	85.8%	98.8%	53.7%	17.6%	77.5%
International	37.7%	331.9%	146.7%	32.7%	76.2%	261.1%	124.5%	25.8%	68.1%
Africa	1.5%	116.2%	65.7%	15.7%	67.3%	71.1%	38.1%	12.4%	64.2%
Asia Pacific	3.1%	290.8%	88.6%	34.6%	66.8%	191.0%	69.5%	23.0%	55.0%
Europe	18.7%	480.0%	233.5%	33.7%	79.4%	376.9%	203.3%	25.6%	70.4%
Latin America	2.1%	263.2%	189.1%	16.8%	82.3%	220.0%	143.3%	18.9%	78.9%
Middle East	5.9%	265.0%	101.0%	32.2%	71.7%	220.8%	90.2%	27.6%	67.7%
North America	6.2%	230.2%	98.5%	31.6%	79.3%	210.3%	90.1%	27.2%	70.3%
Domestic	62.3%	-1.0%	-8.6%	6.2%	80.1%	22.3%	12.1%	6.2%	74.6%
Dom. Australia ⁴	0.8%	47.5%	45.5%	1.0%	73.3%	42.3%	40.5%	0.9%	66.5%
Domestic Brazil ⁴	1.9%	133.3%	131.7%	0.6%	78.1%	62.6%	54.3%	4.1%	80.3%
Dom. China P.R. ⁴	17.8%	-80.8%	-73.6%	-20.9%	55.8%	-40.8%	-32.9%	-8.3%	62.6%
Domestic India ⁴	2.2%	78.6%	33.8%	20.0%	79.8%	19.1%	3.4%	10.4%	78.4%
Domestic Japan ⁴	1.1%	57.0%	31.1%	9.1%	55.4%	58.0%	47.8%	3.2%	49.1%
Domestic US ⁴	25.6%	48.2%	26.0%	13.2%	88.4%	73.8%	40.9%	15.2%	80.4%

¹% of industry RPKs in 2021

²Year-on-year change in load factor

³Load factor level

⁴Note: the seven domestic passenger markets for which broken-down data are available account for approximately 54% of global total RPKs and 86% of total domestic RPKs

Note: The total industry and regional growth rates are based on a constant sample of airlines combining reported data and estimates for missing observations. Airline traffic is allocated according to the region in which the carrier is registered; it should not be considered as regional traffic.

Air passenger market - 2022 vs. 2019

	World share ¹	April 2022 (% ch vs the same month in 2019)			
		RPK	ASK	PLF (%-pt) ²	PLF (level) ³
TOTAL MARKET	100.0%	-37.2%	-32.9%	-5.3%	77.8%
Africa	1.9%	-44.7%	-40.0%	-5.8%	68.0%
Asia Pacific	27.5%	-68.1%	-61.0%	-15.0%	67.0%
Europe	25.0%	-24.5%	-19.2%	-5.7%	79.5%
Latin America	6.5%	-15.9%	-14.6%	-1.2%	80.9%
Middle East	6.5%	-34.4%	-26.0%	-9.2%	71.3%
North America	32.6%	-9.7%	-10.8%	1.0%	85.8%

¹% of industry RPKs in 2021

²Change in load factor vs same month in 2019

³Load factor level

	World share ¹	April 2022 (% ch vs the same month in 2019)			
		RPK	ASK	PLF (%-pt) ²	PLF (level) ³
Domestic	62.3%	-25.8%	-22.4%	-3.7%	80.1%
Dom. Australia	0.8%	-1.2%	8.9%	-7.4%	73.3%
Domestic Brazil	1.9%	-7.7%	-3.3%	-3.7%	78.1%
Dom. China P.R.	17.8%	-79.5%	-68.8%	-29.3%	55.8%
Domestic India	2.2%	-4.3%	5.1%	-7.8%	79.8%
Domestic Japan	1.1%	-31.2%	-14.2%	-13.6%	55.4%
Domestic US	25.6%	-1.6%	-4.5%	2.6%	88.4%

¹% of industry RPKs in 2021

²Change in load factor vs same month in 2019

³Load factor level

	World share ¹	April 2022 (% ch vs the same month in 2019)			
		RPK	ASK	PLF (%-pt) ²	PLF (level) ³
International	37.7%	-43.4%	-38.6%	-6.5%	76.2%
Africa	1.5%	-47.1%	-42.6%	-5.7%	67.3%
Asia Pacific	3.1%	-78.4%	-73.7%	-14.4%	66.8%
Europe	18.7%	-25.8%	-20.0%	-6.3%	79.4%
Latin America	2.1%	-30.1%	-29.8%	-0.3%	82.3%
Middle East	5.9%	-35.0%	-26.8%	-9.0%	71.7%
North America	6.2%	-24.7%	-21.3%	-3.6%	79.3%

¹% of industry RPKs in 2021

²Change in load factor vs same month in 2019

³Load factor level